**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**
**ORDINARY ORIGINAL CIVIL JURISDICTION**

**INCOME TAX REFERENCE NO.653 OF 1987.**

The Commissioner of Income-tax,
Bombay City-IV, Bombay. ... Applicant.

V/s.

Shri Naridas Trikamdas Kapadia ... Respondent.

Shri Ashok Kotangale for the applicant.

Shri Raj Patel i/b Hariani & Co.for the respondent.

**CORAM : V.C.DAGA AND J.P. DEVADHAR, JJ.**

**DATED : 23rd August 2005.**

**P.C. :**
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. By this reference under section 256(1) of the Income-tax Act, 1961, the Income-tax Appellate Tribunals has referred the following question of law for the opinion of this Court:

> 1. Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that in determining the capital gain on sale of 2510 equity shares, when the original holding was increased by purchase of right shares or bonus issued, the cost of the shares sold was the actual cost without adjustment on account of issue of bonus or right shares?:

. Learned Counsel for the parties agreed that the above question is squarely covered by the decision of the Apex Court in the case of **Master Sumanth Ramanujam and anr. C.I.T. (2001) 248 ITR** 818, wherein the above question is answered in the negative i.e. in favour of the Revenue and against the assessee. In this view of the matter, the above

question referred to us is answered in the negative i.e. in favour of Revenue and against the assessee.

. Reference accordingly stands disposed of with no order as to costs.

**(J.P. DEVADHAR,J.)** **(V.C. DAGA,J.)**